GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1077
ANSWERED ON:23.11.2001
FOREIGN EXCHANGE RESERVE QUESTION
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Will the Minister of FINANCE be pleased to state:

(a) the foreign exchange reserve and the Gold Reserve in the country as on 31st October, 2001;

(b) the comparative figure for the last three years;

(c) whether the foreign exchange reserve is likely to increase in future; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): India`s total foreign exchange reserves, as on October 31, 2001, amounted to US $45.26 billion, of which US $2.94 billion represents the value of gold held, as reserves, by the Reserve Bank of India (RBI).

(b): India`s total foreign exchange reserves and the gold reserve component thereof for the corresponding period of the previous three years were as under:

US $ billion

End of	Total Foreign Exchange Reserves	Gold Reserves @
October 2000	34.90	2.80
October 1999	33.81	3.22
October 1998	29.76	3.06

Foreign exchange reserves include foreign currency assets, gold and SDRs. @ Gold holdings are valued close to prevailing international market prices.

(c) & (d): The level of India`s foreign exchange reserves is at present comfortable. Future accretions to foreign exchange reserves will depend on net outcome of the international transactions put through the RBI as well assurplus condition in the foreign exchange market, facilitating net purchases by the RBI from the market. It is the endeavour ofthe Government to ensure that the quantum of reserves in the long run is in line with the requirements of the economy and provides greater security against unfavourable and unanticipated developments.